SCIMITAR HYDROCARBONS CORPORATION

1999 ANNUAL REPORT

Corporate Profile

Scimitar Hydrocarbons Corporation is an international Canadian based petroleum company that commenced operations in late 1995 and trades on the Alberta Stock Exchange under the symbol SIY. Scimitar is connected to other successful companies through its key principal, Angus Mackenzie, who has been responsible for founding and operating companies valued at more than $1 Billion. Current projects of Scimitar include Egypt, Canada and Mozambique.

Scimitar's primary corporate focus is on international Discovered Reserve Opportunities (DROs). DROs are discovered producing properties and fields that for technical, fiscal or political reasons were not previously exploitable, but are now viable. Through its principals' extensive international network, Scimitar's strategy is to acquire large initial working interests in medium-size prospects with proven hydrocarbon potential.

Scimitar strategy selects DROs with under-optimized, proven producing reserves, good market access, and low development capital requirements and then employs proven, current, technical and business practices to capture the value inherent in those projects. Scimitar applies the lessons learned from acquisition and low-cost development strategies to capture value from higher yield projects in the international arena.

BOPD	Barrels of Oil Per Day
C$	Canadian Dollars
DROs	Discovered Reserve Opportunities
MMBBLS	Millions of Barrels
MMBO	Millions of Barrels of Oil
OOIP	Original Oil In Place
SPEL	Scimitar Production Egypt Limited
SPIL	Scimitar Production International Limited
US$	United States Dollars

Message From The President

The 1998/1999 operating year has been a dramatic and positive turn around period for Scimitar Hydrocarbons Corporation . In the second half of the year Scimitar established itself as a producing oil venture by generating cash flow from its Issaran Egypt property. The increase in crude oil prices from March 1999 onwards further improved the financial results from this production. In the first week of March 1999 Scimitar undertook a major cost cutting exercise with the reduction of the Calgary office and staff expenses. Concurrent with cost cutting measures, Mr. Angus Mackenzie assumed the role of President and Chief Executive Officer in addition to being the Chairman of the Board of Directors of the Corporation. Throughout the operating year, Scimitar continued to concentrate on its Egypt operations while taking steps to divest and farm out its remaining non-cash generating and long lead-time ventures.

In early 1999 Mr. Muslim Lakhani was appointed as a Director of the Corporation and subsequently as the President of Scimitar Production Egypt Limited, a subsidiary of the Corporation. Mr. Lakhani provides "hands on" control and leadership for Egypt operations. His years of business experience in dealing with international oil and gas development projects have provided a good fit in keeping the Egypt operations focused and on track. As an example of this, with the new management in place, Scimitar achieved its first operating profit in May while oil prices were at an average of $15.00 per barrel. Mr. Lakhani is also a major shareholder of the Corporation, holding 8.4% of the issued and outstanding shares. Mr. Mackenzie currently holds 13% of the issued and outstanding shares.

Scimitar's future focus lies on building its strengths in Egypt. The Corporation will continue to improve production and cash flow from the Issaran heavy oil operation and look at other low risk Discovered Reserve Opportunities within Egypt and the Middle East. Scimitar has established an office and infrastructure in Egypt and will use Cairo as the operational centre for activities. Working out of Cairo allows for direct "face to face" control of the operation by our staff on the ground.

Scimitar's 1999/2000 operating year looks positive. Continued success with current development drilling plans will lead to additional drilling in early 2000. The combination of strong oil prices, positive cash flow, and increased oil production from upcoming drilling will lead us strongly into the year ahead.

On behalf of the Board of Directors

Mr. Angus Mackenzie
Chairman, President and CEO

Update of Operations

Issaran Oil Development Project, Egypt

Solid progress has been achieved in our core property, the Issaran oil development project in Egypt. Issaran is a land based, proven heavy oil field, located in the northern tip of the Gulf of Suez oil-producing region. Over the past ten years the property has been produced periodically by the Egyptian state oil company, The General Petroleum Company (GPC). Completion of negotiations during 1998 lead Scimitar to undertake Operatorship of the Issaran field.

In late November 1998, Scimitar signed two side agreements to the Issaran Petroleum Service Agreement (PSA) with GPC for accelerated development of Issaran project. The first agreement allowed for the startup of the existing nine shut-in oil wells in the field. Scimitar was granted the right to produce oil from current wells under a modified revenue sharing arrangement. In exchange Scimitar was committed to provide US$ 400,000 in capital upgrades and new technology implementation to these wells. The startup and ongoing production optimization on five of these wells resulted in a production rate of 850bopd for the month of June 1999.

With signing of the well startup agreement, Scimitar immediately initiated operations in Issaran. During 1999 the following milestones were achieved:

- Jan/99 – Completion of Reserve Evaluation for existing wells.
- Jan/99 – Establishment of the operational office in Cairo for the Issaran field.
- Feb/99 – Production startup of three wells.
- Mar/99 – Reduction of expenses by over 70% initiated by the new management.
- Mar/99 – Installation of heated tank technology and production startup of fourth producing well.
- Apr/99 – Production startup of fifth producing well.
- June/99 – Production of 85,000 barrels of oil from February 15 to June 30, 1999

In initiating production operations on the existing wells, Scimitar integrated proven Western Canadian heavy oil techniques and expertise into existing operations at Issaran. We have implemented standard heavy oil technology with the operational "hands on" experience of Alberta oil personnel assisting on site. This strength in association with available process facilities, oil pipeline capacity and trained personnel has allowed for a successful restart of the Issaran field.

The strengths provided by both Scimitar and the current environment in Egypt have lead to a more cost efficient and optimized operation for the Issaran field.

Project Area:

The Issaran project is a low risk, accessible, discovered reserve development opportunity. The target oil pools are shallow depths, thick pay reservoirs with proven production capabilities. The technology adapted to the Issaran field is standard in Western Canada and simply requires implementation by trained personnel. Transportation and access to markets are successfully tested and demonstrate sufficient capacity for current and future production volumes.

Development Plan:

With production operations underway, Scimitar's development focus will be directed on three concurrent and parallel paths.

1. Optimization of production from the existing wells. Well recompletion and pumping equipment upgrade opportunities continue to present themselves. At the same time we shall undertake facility modifications to reduce specific operating costs.

2. Drilling of two to four low risk, multi zone heavy oil wells. Scimitar will undertake new well stepout drilling on the Nukhul, Dolomite and Gharandal formations. These 2,500 feet well locations have been identified by existing 2-D seismic. Production rates are anticipated to be similar to the higher rate offset wells. Capital required for the drilling will be raised from the Shareholders Rights offering closing in November, 1999.

3. Undertake evaluation of thermal or enhanced recovery techniques for the Dolomite and Nukhul formations. With the considerable oil reserves in place primarily in the Dolomite formation, Scimitar will initiate evaluation of various recovery techniques best suited for the reservoir. This work will dovetail well into the proposed drilling phase as it will provide additional information concerning the area geology and reservoir performance.

To date, Scimitar has met all the development obligations set forth in the PSA with GPC and will continue to do so with the forthcoming operations.

Mozambique Concession

Negotiations are currently underway to farm-out Scimitar's interest in the Mozambique concession. Under the Mozambique agreement Scimitar is obligated to spend a minimum of US $3,000,000 to drill another two exploration wells by the year 2003.

Ajman Concession, United Arab Emirates

In the Ajman concession in the United Arab Emirates, Scimitar disposed of its remaining 10 percent carried working interest in the existing wellbores and lands. A well rework project carried out on two wells by the Operator resulted in marginal success. Scimitar relinquished its remaining interest prior to work being carried out on a third well.

Canada

Scimitar participated in two large potential gas prospects situated in the deep basin region of Western Canada. The first well, drilled in Elmworth, Alberta was plugged and suspended. The Company is attempting to divest its interest in the wellbore and associated lands.

The second well, drilled at Kelly in British Columbia encountered a series of deep gas formations. The Operator is planning to complete and test one or more of these formations prior to the end of 1999. As a result of drilling the well, the Company has earned a 25% interest in 6,500 hectares.

Management's Discussion and Analysis

Revenue

During fiscal 1999, oil production service fee was $890,159, for the five-month period February through June 1999, all of which was from the operations in Egypt. In the previous years, the company has had no oil revenue. Interest revenue decreased as cash was invested in fiscal 1998 to fulfill capital obligations.

Write-down of petroleum and natural gas properties

In keeping with the new management view and Generally Accepted Accounting Principles(GAAP), all properties that were deemed to hold no future value were written down. In addition, the Company incurred a loss on the sale of it's Ajman property. The write-down for the fiscal year was $5,388,121 compared to $14,550,946 for the previous year. The remaining value relates to capital expenditures incurred in Egypt and Canada.

Operating Expenses

Operating expenses were $366,684 in fiscal 1999, to deliver 85,378 barrels of oil or $4.29 per barrel of oil. No operating expenses were incurred in fiscal 1998 as operations did not commence until fiscal 1999.

General and administrative

General and administrative increased from $877,137 to $1,186,064 for the fiscal year due to former employees' settlements and an increase in related legal fees. As a result of management's cost cutting activities the general and administrative costs for the month of June 1999 was reduced to $58,858.

Depreciation and amortization

The Company's decision to move to a smaller location and to dispose of underutilized office furniture and computer equipment lead to a reduction in depreciation and amortization from $95,740(1998) to $63,088(1999).

Net Income (Loss)

The company reported a loss of $6,024,112 for the year ended June 30, 1999 as compared to a loss of $14,883,415 for fiscal 1998.

Liquidity and Capital Resources

During fiscal 1998, the Company issued 6,889,461 common shares pursuant to a private placement for net proceeds of $750,000, converted 2,712,500 warrents for shares, issued 464,461 shares in-lieu of salary and retired 37,500 shares. Concurrent with the private placement, a director loaned $250,000 to the Company that was converted to shares in July 1999. As of June 30, 1999 Scimitar had a working capital deficiency of $86,345. This is a reduction from the $1,631,053 reported in 1997.

Year 2000

In the past year the business implications of the arrival of the new millennium (Year 2000) have been the subject of much discussion. The year 2000 problem is a result of computer programs being written using two digits rather that four to define the applicable year. Any computer systems that have time sensitive programs may recognize a date using "00" as the year 1900 rather than the Year 2000, which could result in a disruption in normal operations. It is management's opinion that the Company's internal system is Year 2000 ready, but there exist some risk that non-compliance by other parties may adversely affect the Company. The Company will continue to contact its key suppliers, vendors and purchasers to determine their level of Year 2000 compliance in an effort to minimize any disruption to the company's operations. Management does not anticipate incurring any significant costs with respect to such review.

November 1, 1999

Auditors' Report

To the Shareholders of
Scimitar Hydrocarbons Corporation

We have audited the consolidated balance sheet of **Scimitar Hydrocarbons Corporation** as at June 30, 1999 and the consolidated statements of net loss and deficit and cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the corporation as at June 30, 1999 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

The consolidated financial statements as at June 30, 1998 and for the year then ended were audited by other auditors, who issued an unqualified report dated September 23, 1998.

PricewaterhouseCoopers LLP

Chartered Accountants
Calgary, Alberta

Scimitar Hydrocarbons Corporation
Consolidated Balance Sheet
As at June 30, 1999

(expressed in Canadian dollars)

	1999 $	1998 $
Assets		
Current assets		
Cash and short-term deposits	345,870	1,648,422
Cash held in trust (note 4(d))	–	760,321
Accounts receivable	553,567	52,455
Prepaid expenses	42,133	12,624
	941,570	2,473,822
Capital assets (note 3)	3,973,816	7,207,439
	4,915,386	9,681,261
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	777,915	842,769
Note payable (note 10)	250,000	–
	1,027,915	842,769
Shareholders' Equity		
Capital stock (note 4)	25,432,606	24,359,515
Deficit	(21,545,135)	(15,521,023)
	3,887,471	8,838,492
	4,915,386	9,681,261

Going concern (note 1)
Contingency and commitments (note 7)

Approved by the Board of Directors

Mr. Angus Mackenzie
Director

Muslim Lakhani
Director

Scimitar Hydrocarbons Corporation

Consolidated Statement of Net Loss and Deficit

For the year ended June 30, 1999

(expressed in Canadian dollars)

	1999 $	1998 $
Revenues		
Oil production service fee	890,159	–
Interest	65,459	559,072
Foreign exchange gain	24,227	81,336
	979,845	640,408
Expenses		
Write-down of petroleum and natural gas properties	5,388,121	14,550,946
General and administrative	1,186,064	877,137
Operating	366,684	–
Depreciation and amortization	63,088	95,740
	7,003,957	15,523,823
Net loss	(6,024,112)	(14,883,415)
Deficit – Beginning of year	(15,521,023)	(637,608)
Deficit – End of year	(21,545,135)	(15,521,023)
Loss per share	0.23	0.65

Scimitar Hydrocarbons Corporation

Consolidated Statement of Cash Flows

For the year ended June 30, 1999

(expressed in Canadian dollars)

	1999 $	1998 $
Cash provided by (used in)		
Operating activities		
Net loss	(6,024,112)	(14,883,415)
Write-down of petroleum and natural gas properties	5,388,121	14,550,946
Depreciation and amortization	63,088	95,740
	(572,903)	(236,729)
Change in non-cash working capital	(345,475)	407,843
	(918,378)	171,114
Investing activities		
Additions to capital assets	(2,217,586)	(13,409,019)
Financing activities		
Issuance of common shares and flow-through share purchase warrants – net of share issue costs	–	1,659,618
Issuance of common shares	1,073,091	–
	1,073,091	1,659,618
Decrease in cash, short-term deposits and cash held in trust	(2,062,873)	(11,578,287)
Cash, short-term deposits and cash held in trust – Beginning of year	2,408,743	13,987,030
Cash and short-term deposits – End of year	345,870	2,408,743

(expressed in Canadian dollars)

1 Going concern

These consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada and have been prepared on the basis of accounting principles applicable to a going concern which contemplates the corporation will continue to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The corporation's activities to date have been directed toward the acquisition of, exploration for and development of Canadian and international petroleum and natural gas reserves. The corporation has acquired interests in undeveloped petroleum and natural gas interests in Canada, Mozambique and Egypt.

The ultimate recovery of the corporation's investment in petroleum and natural gas properties is dependent upon the ability of the corporation to have sufficient capital funding to successfully complete the exploration and development programs and find commercially viable hydrocarbon reserves which will ensure ongoing profitability.

Should the going concern basis of accounting be inappropriate, adjustments would be necessary to the recorded assets and liabilities and reported revenue and expenses.

2 Significant accounting policies

a) Basis of presentation

These consolidated financial statements include the accounts of the corporation and those of its wholly owned subsidiaries and are expressed in Canadian dollars.

b) Full cost method of accounting

The corporation follows the full cost method of accounting whereby all costs related to the exploration for, and the development of, crude oil and natural gas reserves are capitalized on a country-by-country cost centre basis. Costs accumulated within each cost centre are depleted and depreciated using the unit of production method, based on estimated proved reserves, with net production and reserves volumes of natural gas converted to equivalent energy units of crude oil. Proceeds from disposal of properties are normally deducted from the full cost pool without recognition of gain or loss.

Costs of exploration in new cost centres, together with related land costs, are excluded from costs subject to depletion until it is determined whether or not proved reserves are attributable to the properties, or if impairment has occurred.

A ceiling test is applied to ensure that capitalized costs do not exceed the sum of estimated undiscounted, unescalated future net revenues from proven reserves plus the unimpaired cost of unproved properties less estimated development costs, related production, interest and general administration costs, estimated site restoration costs, and applicable taxes. The calculations are based on sales prices and costs at the end of the year.

(expressed in Canadian dollars)

c) Joint interest operations

Certain of the corporation's exploration and production activities are conducted jointly with others, and accordingly, the consolidated financial statements reflect only the corporation's proportionate interest in such activities.

d) Future site restoration and abandonment costs

Estimated future site restoration and abandonment costs, net of expected recoveries, will be provided over the life of the proved reserves using the unit-of-production method. Costs are estimated each year by management based on current regulations, costs, technology and industry standards. The annual charge will be included in depletion, and actual removal and site restoration expenditures will be charged to the accumulated provision account as incurred.

e) Foreign currency translation

Monetary assets and liabilities are translated at the rates of exchange at the balance sheet dates. Non-monetary assets and liabilities are translated at the rates in effect at the dates the assets or liabilities were acquired. Revenues and expenses are translated at the average rates of exchange during the month in which they are recognized. The resulting gains or losses are included in earnings, except that foreign exchange gains or losses arising on translation of long-term monetary assets and liabilities are deferred and amortized over their remaining term.

3 Capital assets

	1999 $	1998 $
Undeveloped petroleum and natural gas properties		
Egypt	2,677,934	1,974,959
Canada	1,017,638	998,125
Mozambique	–	100,000
United Arab Emirates	–	3,277,374
Other	–	761,716
Furniture and equipment – net of accumulated depreciation of $131,485; 1998 – $68,397	278,244	95,265
	3,973,816	7,207,439

Under the terms of the Petroleum Service Agreement governing the development of the Issaran field in Egypt, fixed assets and those moveable assets used in the performance of the agreement and are charged to the field's operations, become the property of the Egyptian General Petroleum Company S.A.E.

(expressed in Canadian dollars)

All costs associated with undeveloped petroleum and natural gas properties outside Egypt are considered to be unproven and are excluded from depletion calculations.

During the year ended June 30, 1999, the corporation capitalized $702,501 (1998 – 1,294,208) of international administrative and general corporate overhead costs related to the exploration for petroleum and natural gas properties. Of the total $702,501 capitalized, $179,030 (1998 – 177,329) related to head office general corporate overhead capitalized to specific projects in the current year. The remaining international capitalized administrative costs are identifiable with and charged to specific projects.

During the year ended June 30, 1999, the corporation recorded a write-down of capitalized exploration, marketing and distribution costs in the amount of $5,388,121 (1998 – $14,550,946). The write-down reflects management's evaluation as to the future recoverability of these costs.

4 Capital stock

a) Authorized

Unlimited number of common shares
50,000,000 non-voting preferred shares

b) Issued

	Number of shares	**Amount $**
Common shares		
Balance – June 30, 1997	22,946,015	22,699,897
Issued on exercise of share purchase warrants	125,000	156,250
Issued on flow-through shares for cash	50,000	40,000
Issued in lieu of salary	120,543	185,313
Repurchased under normal course issuer bid	(286,000)	(133,634)
Share issue costs	–	(137,404)
Balance – June 30, 1998	22,955,558	22,810,422
Common shares		
Issued on exercise of flow-through share warrants	2,712,500	1,549,093
Issued through private placement for cash	3,750,000	750,000
Issued in lieu of salary	464,461	330,491
Repurchased under normal course issuer bid	(37,500)	(7,400)
	6,889,461	2,622,184
Balance – June 30, 1999	29,845,019	25,432,606

(expressed in Canadian dollars)

	Number of shares	Amount $
Warrants		
Balance – June 30, 1997	–	–
Flow-through share warrants issued for cash	2,712,500	2,170,000
Deferred income tax impact of flow-through expenditures	–	(620,907)
Balance – June 30, 1998	2,712,500	1,549,093
Converted to common shares	(2,712,500)	(1,549,093)
Balance – June 30, 1999	–	–

c) **Stock options**

At June 30, 1999, the corporation had 1,885,000 (1998 – 2,602,200) stock options outstanding that are exercisable at prices ranging from $0.25 to $1.15 and expire on dates ranging from November 10, 2000 to November 1, 2003.

d) **Warrants**

The flow-through share purchase warrants outstanding at June 30, 1998 were exchanged for flow-through common shares of the corporation on a one-for-one basis at no additional cost to the warrant holder. The corporation has renounced approximately $2,210,000 of qualifying expenditures in accordance with income tax legislation. The required expenditures have been made. The amounts held in trust at June 30, 1998 have been released to the corporation.

e) **Loss per share**

The loss per share was calculated using the weighted average number of shares of 25,597,532 (1998 – 23,086,811) outstanding during the period.

5 Income taxes

The provision for income taxes differs from the amount obtained by applying the combined Federal and Provincial income tax rates to income before income taxes. The difference relates to the following items:

	1999 $	1998 $
Loss before income taxes	(6,024,112)	(14,883,415)
Corporate tax rate	44.6%	44.6%
Expected income tax recovery	(2,686,754)	(6,638,003)
Foreign tax rate differential	(120,674)	–
Unrecognized benefit of losses	2,807,428	6,638,003
	–	–

(expressed in Canadian dollars)

Under the terms of the Petroleum Service Agreement with the Egyptian General Petroleum Company S.A.E., the fee received on the incremental production is not subject to income tax. On a consolidated basis, the corporation has $2,453,000 (1998 - $1,612,000) of tax pools available in Canada.

6 Financial instruments

The corporation's financial instruments recognized in the balance sheet consist of all current assets and liabilities. The fair values of the financial instruments recognized in the balance sheet approximate their carrying amounts due to the short-term maturity of these instruments.

7 Contingency and commitments

The corporation has entered into a Petroleum Service Agreement with the Egyptian General Petroleum Company S.A.E. to develop the Issaran Field in Egypt. Under this agreement the corporation receives a fee based on the market price of the incremental production generated from the Issaran Field over a 20 year period. The corporation is obligated during the next 3 years to undertake certain activities specified in the Petroleum Service Agreement to determine the economic viability of its development plan. The corporation has committed to spend an additional $2 million under this agreement. As at June 30, 1999, the corporation's bank has issued a US $250,000 letter of guarantee in favour of the Egyptian General Petroleum Company S.A.E., which is tied to the corporation's performance under this agreement.

The corporation has entered into a Production sharing Agreement for the Buzi-Divinhe Block in Mozambique. Under this agreement the corporation is required to meet certain minimum work obligations. Management estimates that it will need to spend US$3.0 million over the next 3 years to fulfil its minimum work obligations.

The corporation has received correspondence from a law firm representing the corporation's former partners in Trifoil Petroleum Limited, a company created to market petroleum by-products in Kenya. The letter claims that the corporation is liable for its share of the outstanding liabilities of Trifoil Petroleum Limited for a total of US $281,000. The corporation has sold its shares in Trifoil Petroleum Limited for a nominal amount to the other shareholders and it is management's opinion that the corporation has no further obligations with respect to Trifoil Petroleum Limited or its shareholders.

8 Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

(expressed in Canadian dollars)

9 Segmented information

In 1999, the corporation's exploration and development activities are predominately in Canada and Egypt. The corporation's production revenue and expenses relate solely to the corporation's operations in Egypt. The interest income was earned in Canada. Of the $1,186,064 (1998 – $877,137) of general and administrative expense incurred by the corporation, $220,648 (1998 – $nil) related to the Egyptian operations, $178,726 (1998 – $130,145) related the corporation's other international operations with the remainder related to the Canadian corporate office.

10 Subsequent events

On July 23, 1999, the note payable of $250,000, bearing an interest rate of bank prime plus 1% payable on demand, to the president, chief executive officer, and chairman of the corporation was repaid, including accrued interest, by the issuance of 1,250,000 common shares of the corporation.

In September 1999, the corporation offered its shareholders the right to subscribe for additional common shares of the corporation. Under the terms of the rights offering, shareholders received 1 right for each common share held. Four rights entitles the holder to subscribe for one common share at a price of $0.20. The rights offering expires November 10, 1999. The maximum number of common shares issuable pursuant to this offering is 7,783,129.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Angus A. Mackenzie, Chairman*
Theodor Hennig*
Muslim Lakhani*
Charles E. Parnell

*Audit Committee Member

MANAGEMENT & KEY STAFF

Mohamed M. Assem, General Manager, SPEL
Philip Hawker, Finance Controller of SHC and SPEL
Muslim Lakhani, President, SPEL
Peter A. Lubey, Director, Exploitation Engineering
Angus A. Mackenzie, President and Chief Executive Officer
Niheriwa Maseliha, Assistant General Manager, SPIL

SOLICITORS
Burnet, Duckworth & Palmer
Calgary, Alberta

BANKERS
Royal Bank of Canada
Calgary, Canada

AUDITORS
PricewaterhouseCoopers LLP
Calgary, Alberta

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CIBC Mellon Trust Company

STOCK LISTING "SIY"
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